

AMENDED IN ASSEMBLY JUNE 27, 2002

AMENDED IN ASSEMBLY JUNE 13, 2002

AMENDED IN SENATE MAY 2, 2002

**SENATE BILL**

**No. 1753**

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**Introduced by Senator Bowen  
(Coauthors: Senators Burton, Dunn, Sher, and Speier)**

February 21, 2002

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An act to add Section 345.5 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1753, as amended, Bowen. Independent System Operator: duties.

(1) Existing law provides for the establishment of an Independent System Operator, a nonprofit, public benefit corporation, to ensure efficient use and reliable operation of the electrical transmission grid.

This bill would require the Independent System Operator to conduct its operations consistent with applicable state and federal laws and consistent with the interests of the people of the state. The bill would also require the Independent System Operator to manage the transmission grid and related energy markets in a manner that makes the most efficient use of available energy resources, reduces overall economic cost to the state's consumers, is consistent with applicable state law intended to protect the public's health and the environment, and maximizes the availability of electric generation resources necessary to meet the needs of the state's electricity consumers. The bill would also require the Independent System Operator to ensure that its purposes and functions are consistent with those of a nonprofit public

benefit corporation, maintain open meetings consistent with the general policies of the Bagley-Keene Open Meetings Act, and provide public access to corporate records consistent with the general policies of the California Public Records Act. Since under existing law a violation of the bill's requirements would be a crime, this bill would impose a state-mandated local program by changing the definition of a crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 345.5 is added to the Public Utilities  
2 Code, to read:

3 345.5. (a) The Independent System Operator, as a nonprofit,  
4 public benefit corporation, shall conduct its operations consistent  
5 with applicable state and federal laws and consistent with the  
6 interests of the people of the state.

7 (b) To ensure the reliability of electric service and the health  
8 and safety of the public, the Independent System Operator shall  
9 manage the transmission grid and related energy markets in a  
10 manner that is consistent with all of the following:

11 (1) Making the most efficient use of available energy  
12 resources. For purposes of this section, "available energy  
13 resources" include energy, capacity, ancillary services, and  
14 demand bid into markets administered by the Independent System  
15 Operator. "Available energy resources" do not include a schedule  
16 of ~~bilateral energy contracts or generation~~ submitted to the  
17 Independent System Operator by an electrical corporation or a  
18 local publicly owned electric utility to meet its own customer load.

19 (2) Reducing, to the extent possible, overall economic cost to  
20 the state's consumers.

21 (3) Applicable state law intended to protect the public's health  
22 and the environment.

(4) Maximizing availability of existing electric generation resources necessary to meet the needs of the state's electricity consumers.

(c) The Independent System Operator shall do all of the following:

(1) Consult and coordinate with appropriate state and local agencies to ensure that the Independent System Operator operates in furtherance of state law regarding consumer and environmental protection.

(2) Ensure that the purposes and functions of the Independent System Operator are consistent with the purposes and functions of nonprofit, public benefit corporations in the state, including duties of care and conflict-of-interest standards for officers and directors of a corporation.

(3) Maintain open meeting standards and meeting notice requirements consistent with the general policies of the Bagley-Keene Open Meetings Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of the Government Code) and affording the public the greatest possible access, consistent with other duties of the corporation. The Independent System Operator's Open Meeting Policy, as adopted on April 23, 1998, and in effect as of May 1, 2002, meets the requirements of this paragraph. The Independent System Operator shall maintain a policy that is no less consistent with the Bagley-Keene Open Meetings Act than its policy in effect as of May 1, 2002.

(4) Provide public access to corporate records consistent with the general policies of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and affording the public the greatest possible access, consistent with the other duties of the corporation. The Independent System Operator's Information Availability Policy, as adopted on October 22, 1998, and in effect as of May 1, 2002, meets the requirements of this paragraph. The Independent System Operator shall maintain a policy that is no less consistent with the California Public Records Act than its policy in effect as of May 1, 2002.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty  
2 for a crime or infraction, within the meaning of Section 17556 of  
3 the Government Code, or changes the definition of a crime within  
4 the meaning of Section 6 of Article XIII B of the California  
5 Constitution.

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